

Historic, Archive Document

Do not assume content reflects current
scientific knowledge, policies, or practices.

1-942
A-2 R11

LIBRARY
RECEIVED
★ NOV 20 1939 ★
U.S. Department of Agriculture

THE AGRICULTURAL OUTLOOK FOR 1940

Feed Crops and Cotton

Racio conversation between Wallace L. Kadderly USDA Radio Service, and E. J. Rowell, Agricultural Marketing Service, in the Department of Agriculture portion, National Farm and Home Hour, Wednesday, November 8, 1939, over 89 stations associated with the National Broadcasting Company.

--ooOoo--

KADDERLY:

Today we present the third in a series of broadcasts dealing with the Sixteenth Annual Outlook Report of the Department of Agriculture. In the broadcasts of yesterday and the day before we gave you the highlights on the demand for farm products, on agricultural credit, farm equipment, and wheat. Again here's E. J. "Mike" Rowell---bringing us highlights of outlook reports on feed crops and cotton.

Mike, taking the report on feed crops first....can the farmer look for fairly liberal supplies this winter and spring?

ROWELL:

Yes, supplies of both forage crops and feed grains in this country are again above average. They are big enough -- to more than feed all the livestock. One exception is in the western Corn Belt. In that area feed supplies will be short. Of course there is a considerable quantity of corn now under seal on government loan. If this corn under seal is deducted then the amount of feed grains left is only about average in total quantity and in pounds for each head of livestock to be fed.

KADDERLY:

Feed supplies quite liberal, except, as you said, in limited areas.

Now, what can you tell us about acreage of feed grains next year? Will farmers be planting more or fewer acres to feed grains?

ROWELL:

No material increase of the total acres of feed grains is expected for the country as a whole. In the commercial corn producing areas the total number of acres planted to feed grains won't be any bigger next year and may be a little smaller. Dry weather this fall interfered with sowing of winter wheat.

Taking into account the supply on hand and the amount to be harvested next year - the supply of feed grain per cow, sow, or little red hen will be less next year than it is now. That is - unless weather conditions next year are better than they have been during the past 50 years.

(over)

There are at least two things that will tend to prevent farmers from increasing their acreage of feed grains. One is the amount of hay and pasture needed or the larger number of cattle to be fed. The other is the favorable prices of wheat, beans, potatoes and other crops.

KADDERLY:

If farmers do not grow more feed grains the surplus a year from now will be a little smaller than it is now.

ROWELL:

Yes, the surplus a year from now may be a little smaller. Here's something to consider. When crop production picked up in 1937, farmers did not have nearly enough livestock to use up the feed grown each year. Now livestock has increased and is about in balance with production. But it will take more than just one year for livestock to increase enough to eat up the large surplus of feed grains on hand.

KADDERLY:

Let's leave feed grains for a moment and consider hay crops. Now that farmers are being encouraged to put more acres into soil building crops -- will this mean more hay next year, or will low prices restrict hay production?

ROWELL:

Yes, another large hay crop is expected. Unless we get another drought, most farmers will try to grow and cut enough hay to feed their livestock.

KADDERLY:

Next, -- what does the Outlook say about the supply of commercial feed stuffs?

ROWELL:

The supply of commercial feeds this fall, winter and spring will be larger than it was last year and much above average. Production of soybeans and flaxseed has increased quite rapidly. There will be a fair supply of cottonseed too. The supply of other byproduct feeds -- particularly wheat, bran and middlings -- will probably be about the same as last year. But, by next summer commercial feed supplies will probably be down below the average holdings in the pre-drought year. That's not counting corn scaled or to be scaled.

KADDERLY:

How much below pre-drought years?

ROWELL:

According to this report, about equal to the quantity of the 1939 corn crop which is scaled.

KADDERLY:

Well, that covers most of the questions I had in mind on the feed crops -- except exports and prices.

ROWELL:

Taking exports first, - exports of feed grain will probably be relatively small next year. Most of the foreign countries now have a pretty firm control over their foreign trade. The British blockade has pretty well cut off Central Europe from overseas supplies of feed grains and feedstuffs. Right now it looks as if the British regulation of shipping will reduce the amount of feed grains imported by the Netherlands, Belgium, Denmark, and other neutral countries.

KADDERLY:

And now, if we may have it, a word about prices of feed grains.

ROWELL:

Farmers who buy commercial feeds during the 1939-40 season are likely to find prices averaging higher than they did last season. These higher prices will be the result of increased feed requirements and a general improvement in domestic demand. Prices went up sharply early in September but much of the advance was lost before the end of the month - so, as this report says, the level of feed grain prices during the winter and spring is expected to average only moderately higher than a year earlier.

KADDERLY:

Then, it looks as if the feed crop outlook is a little more favorable to feed producers and perhaps a little less favorable to the farmers who buy feed. Well, so much for the outlook on feed grains. Now, let's look at the outlook for cotton for 1940. Cotton farmers know that there's about as much cotton in the world as there ever was, so probably one of the questions which they'll want answered first is this -- is there any chance that the world's supply of cotton may be a little smaller next year?

ROWELL:

Yes, Wallace. World supplies of cotton probably will be somewhat smaller than this year's supply of about 50 million bales. Supplies have been about this big---50 million bales---during the past two seasons. The mills of the world will probably use just about as much cotton this year as will be harvested. That would mean a carryover on August 1st, 1940, about the same size as at the beginning of this season. During the coming season the foreign cotton crops will probably be a little smaller. The cotton crop in this country will be smaller than this year, providing growers in this country plant about the same acreage and yields are about equal to the average for the past 5 years.

KADDERLY:

Just one more thing on the cotton outlook. What about cotton prices and income from cotton?

ROWELL:

Cotton prices early in this -- the 1939-40 -- season, have been a little higher than last year, but at the same time below the 10-year average. If the prices which farmers get for their cotton are about the same as the average price of cotton in August, September, and October, then farmers should get more money for cotton and cottonseed than they did last year.

But Government payments to cotton farmers will be much smaller this season than last.

KADDERLY:

Again, it's a question of adding up an increase on one side and a decrease on the other.

ROWELL:

And this time it adds up something like this -- total income from cotton including Government payments, will be less than for any season since 1932-33.

KADDERLY:

And that winds up the outlook information for today.

Day after tomorrow (Friday) Farm and Home friends, "Mike" Rowell will review the 1940 outlook for livestock, dairying, tobacco and potatoes.

"Mike" I'm sure that many people will want more detailed information on the agricultural outlook than you are covering in these radio broadcasts. Wish you would repeat what you said day before yesterday about how they get that more complete information.

ROWELL:

(Ad lib.... National report available from USDA; community outlook meetings to be arranged by Agricultural Extension Services of the States; State outlook reports to be issued based on the National).

###